



# Rehabilitation Therapy Information Resource for Medicare

SEPTEMBER 2008

Medicare Part B provides coverage for many types of therapy services. This publication serves as a guide to direct professionals to additional resources regarding rehabilitation therapy services, coverage requirements, payment systems, and points of contact for further information.

## Medicare Therapy Highlights

Therapy-related Change Requests (CRs) include the following:

- Medical and Other Health Services Furnished to SNF Patients Effective June 16, 2008 (CR 5991)
- Therapy Personnel Qualifications and Policies Effective January 1, 2008 (CR 5921)
- Outpatient Therapy Caps without KX Modifier Exceptions Start January 1, 2008 (CR 5871)
- 2008 Annual Update to the Therapy Code List (CR 5810)
- Coverage Requirements for Therapy Services Provided in a Skilled Nursing Facility (CR 5532)
- Outpatient Therapy – Additional DRA Mandated Service Edits (CR 5253)

These CRs are available at <http://www.cms.hhs.gov/Transmittals/> on the Centers for Medicare & Medicaid Services (CMS) website.

Therapy-related Medicare Learning Network (MLN) Matters Articles include the following:

- Important Information on the New Medicare Law – The Medicare Improvements for Patients and Providers Act of 2008 (SE0826)  
<http://www.cms.hhs.gov/MLNMattersArticles/downloads/SE0826.pdf>
- CCI Edits Apply to All Therapy Providers (SE0545)  
<http://www.cms.hhs.gov/MLNMattersArticles/downloads/SE0545.pdf>

## Therapy Provider Contacts

The Medicare Contractor who pays your claims is the best source of answers to specific Medicare questions. Contractors are Carriers, Intermediaries<sup>1</sup>, or Program Safeguard Contractors (PSCs) who interpret Medicare laws, develop local policies, and educate providers. Please use the CMS Contact Database, available at

<http://www.cms.hhs.gov/apps/contacts/default.asp> on the CMS website, to locate websites and toll-free phone numbers for contractors' local coverage policies and other general instructions.

If you have difficulty communicating with your contractor, please use the Regional Office Overview, available at <http://www.cms.hhs.gov/RegionalOffices/> on the CMS website, to identify the CMS Regional Office servicing your area of operations and contact them for assistance.



## CMS Regulations & Program Guidance

### Extension of Therapy Cap Exceptions

The Medicare Improvements for Patients and Providers Act of 2008 (MIPPA) was enacted on July 15, 2008. One provision of this legislation extended the effective date of the exceptions process to the therapy caps to **December 31, 2009**. Outpatient therapy service providers may resume submitting claims with the KX modifier for therapy services that exceed the cap furnished on or after July 1, 2008.

For physical therapy and speech language pathology services combined, the limit on incurred expenses is \$1,810 for calendar year 2008. For occupational therapy services, the limit is \$1,810. Services that meet the exceptions criteria and report the KX modifier will be paid beyond this limit.

<sup>1</sup> *Medicare Contracting Reform (MCR) Update* – In Section 911 of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA) Congress mandated that the Secretary of the Department of Health and Human Services replace the current contracting authority under Title XVIII of the Social Security Act with the new Medicare Administrative Contractor (MAC) authority. This mandate is referred to as Medicare Contracting Reform. Medicare Contracting Reform is intended to improve Medicare's administrative services to beneficiaries and health care providers. All Medicare work performed by Fiscal Intermediaries and Carriers will be replaced by the new A/B MACs by 2011. Providers may access the most current MCR information to determine the impact of these changes and to view the list of current MACs for each jurisdiction at <http://www.cms.hhs.gov/MedicareContractingReform/> on the CMS website.

In addition, the following websites provide policy information:

- Therapy Services - <http://www.cms.hhs.gov/TherapyServices/>
- Medicare Benefits Policy Manual (Chapter 15) - <http://www.cms.hhs.gov/manuals/Downloads/bp102c15.pdf>
- Medicare Claims Processing Manual (Chapter 5) - <http://www.cms.hhs.gov/manuals/downloads/clm104c05.pdf>
- Program Transmittals - <http://www.cms.hhs.gov/Transmittals/>
- Quarterly Provider Updates - <http://www.cms.hhs.gov/QuarterlyProviderUpdates/>



## Outpatient Therapy Services

Please refer to the 11 Part B Billing Scenarios for PTs and OTs at <http://www.cms.hhs.gov/TherapyServices/> on the CMS website. These scenarios are designed to clarify existing therapy policy and to provide guidance on current Medicare Part B billing issues relevant to Physical Therapists (PTs) and Occupational Therapists (OTs), and to the services they provide. For additional information, please refer to the following websites:

- Physician Fee Schedule (PFS) - [http://www.cms.hhs.gov/PhysicianFeeSched/01\\_overview.asp](http://www.cms.hhs.gov/PhysicianFeeSched/01_overview.asp)
- Physician Fee Schedule Look-Up - <http://www.cms.hhs.gov/apps/pfslookup/>
- National Correct Coding Initiatives Edits - <http://www.cms.hhs.gov/NationalCorrectCodInitEd/>

## Provider Enrollment

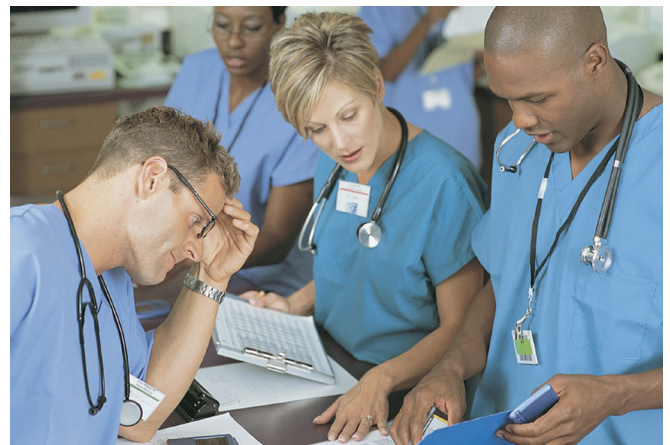
Please refer to the Medicare Provider-Supplier Enrollment web page at <http://www.cms.hhs.gov/MedicareProviderSupEnroll/> on the CMS website for Medicare enrollment information for institutional providers, physicians, practitioners, and suppliers of medical and health services. For additional information, please refer to the following websites:

- Provider Enrollment Forms - [http://www.cms.hhs.gov/MedicareProviderSupEnroll/02\\_EnrollmentApplications.asp](http://www.cms.hhs.gov/MedicareProviderSupEnroll/02_EnrollmentApplications.asp)
- Provider-Supplier Enrollment Contacts - [http://www.cms.hhs.gov/MedicareProviderSupEnroll/01\\_Overview.asp#TopOfPage](http://www.cms.hhs.gov/MedicareProviderSupEnroll/01_Overview.asp#TopOfPage)

## Medicare Payment Systems

For specific payment system information, please refer to the following websites:

- Ambulatory Surgical Centers - <http://www.cms.hhs.gov/center/asc.asp>
- Critical Access Hospitals - <http://www.cms.hhs.gov/center/cah.asp>
- Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) - <http://www.cms.hhs.gov/center/dme.asp>
- Home Health Agencies - <http://www.cms.hhs.gov/center/hha.asp>
- Hospice - <http://www.cms.hhs.gov/center/hospice.asp>
- Hospitals - <http://www.cms.hhs.gov/center/hospital.asp>
- Physicians - <http://www.cms.hhs.gov/center/physician.asp>
- Skilled Nursing Facilities - <http://www.cms.hhs.gov/center/snf.asp>
- Other Provider Types - <http://www.cms.hhs.gov/center/provider.asp>





## Therapy-Related Outreach and Education

To access the learning resources and products listed below, please visit <http://www.cms.hhs.gov/MLNProducts/> on the CMS website.

- Inpatient Rehabilitation Facility Prospective Payment System Fact Sheet
- Medicare Enrollment for Institutional Providers Brochure
- Medicare Fraud & Abuse Fact Sheet
- Medicare Physician Guide
- Medicare Secondary Payer Fact Sheet
- Reference Guide for Medicare Institutional Provider Billers
- Reference Guide for Medicare Physician & Supplier Billers
- The Medicare Appeals Process: Five Levels to Protect Providers, Physicians and Other Suppliers Brochure
- The Medicare Medical Review Program Brochure
- Understanding the Remittance Advice: A Guide for Medicare Providers, Physicians, Suppliers, and Billers
- What Doctors Need to Know About the Advance Beneficiary Notice (ABN) Booklet
- What Physicians and Other Suppliers Should Know About Medicare Overpayments Brochure



## Therapy Studies and Reports – Policy and Utilization

To review the following therapy studies and reports, please refer to <http://www.cms.hhs.gov/TherapyServices/SAR/list.asp> on the CMS website.

### CMS Reports to Congress

- Physical Therapy Assistants (PDF 65KB), November 2004
- Utilization and Alternatives (PDF 27KB), November 2004

## CMS Contracted Therapy Studies/Reports

- CSC - CY2006 Therapy Edit Report, April 2008
- CSC - 2006 Therapy Cap Report, March 2008
- CSC - CY2006 Therapy Utilization, February 2008
- CSC - Pilot Report (ZIP 884KB), October 2006
- CSC - Utilization and Edit (ZIP 6.2MB), October 2006
- FOTO - Pay-for-Performance for Physical Therapy and Occupational Therapy (PDF 247KB), October 2006
- AdvanceMed - Costliest Report (ZIP 1.5MB), November 2004
- AdvanceMed - Model Report (ZIP 1.3MB), November 2004
- AdvanceMed - Edit Report (ZIP 1MB), November 2004
- AdvanceMed - Project Report (PDF 314KB), November 2004



## Therapy Professional Association Contacts

To contact one of the therapy professional associations, please refer to the following websites:

- American Occupational Therapy Association (AOTA) - <http://www.aota.org/>
- American Physical Therapy Association (APTA) - <http://www.apta.org/AM/Template.cfm?Section=Home>
- American Speech-Language-Hearing Association (ASHA) - <http://www.asha.org/default.htm>

**The Medicare Learning Network (MLN)** is the brand name for official CMS educational products and information for Medicare fee-for-service providers. For additional information visit the Medicare Learning Network's web page at <http://www.cms.hhs.gov/MLNGenInfo> on the CMS website.

*This fact sheet was prepared as a service to the public and is not intended to grant rights or impose obligations. This fact sheet may contain references or links to statutes, regulations, or other policy materials. The information provided is only intended to be a general summary. It is not intended to take the place of either the written law or regulations. We encourage readers to review the specific statutes, regulations and other interpretive materials for a full and accurate statement of their contents.*